

## Message Text

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ORIGIN TRSE-00

INFO OCT-01 EUR-12 EA-12 ISO-00 L-03 SP-02 USIA-15  
AID-05 EB-08 SS-15 STR-07 OMB-01 CEA-01 CIAE-00  
COME-00 FRB-01 INR-10 NSAE-00 XMB-04 OPIC-06  
LAB-04 SIL-01 NSCE-00 INRE-00 /108 R

TREASURY

DRAFTED BY TREASURY/GI:ELMEIGHER:SMCP  
APPROVED BY EB/IFD/ODF:AFWATSON  
TREASURY/GI:RLMUNK  
TREASURY/OASIA:JGAASERUD  
TREASURY/OASIA:ANACHMANOFF  
EUR/RPE:PMCLEAN  
EA/EP:AGEBER

-----109324 040003Z /65

O 031955Z MAR 78  
FM SECSTATE WASHDC  
TO AMEMBASSY BONN IMMEDIATE  
AMEMBASSY BRUSSELS IMMEDIATE  
AMEMBASSY CANBERRA IMMEDIATE  
AMEMBASSY LONDON IMMEDIATE  
AMEMBASSY OTTAWA IMMEDIATE  
AMEMBASSY PARIS IMMEDIATE  
AMEMBASSY ROME IMMEDIATE  
AMEMBASSY STOCKHOLM IMMEDIATE  
AMEMBASSY THE HAGUE IMMEDIATE  
AMEMBASSY TOKYO IMMEDIATE

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E.O. 11652: N/A

TAGS: EFIN, IBRD, IDB, ADB, IFIS

SUBJECT: LEGISLATIVE REQUIREMENTS FOR CALLABLE CAPITAL IN  
THE INTERNATIONAL DEVELOPMENT BANKS

1. DURING SECRETARY BLUMENTHAL'S TESTIMONY BEFORE THE  
FOREIGN OPERATIONS SUBCOMMITTEE OF THE SENATE APPROPRIA-

TIONS COMMITTEE ON FEBRUARY 27, QUESTIONS WERE RAISED ON LEGISLATIVE AND OTHER STEPS REQUIRED BEFORE SUBSCRIPTIONS CAN BE MADE BY MEMBER COUNTRIES OTHER THAN UNITED STATES TO CALLABLE CAPITAL IN THE INTERNATIONAL DEVELOPMENT BANKS (INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, INTER-AMERICAN DEVELOPMENT BANK, AND ASIAN DEVELOPMENT BANK). SECRETARY BLUMENTHAL HAS PROMISED TO SUPPLY INFORMATION TO SUBCOMMITTEE.

2. ISSUE ARISES BECAUSE OF QUESTION WHETHER, IN ADDITION TO AUTHORIZING LEGISLATION, APPROPRIATIONS FOR FULL AMOUNT OF CALLABLE CAPITAL SHOULD BE REQUIRED BEFORE U.S. SUBSCRIPTIONS TO CALLABLE CAPITAL ARE MADE. PRESENT U.S. PROCEDURE IS TO SEEK APPROPRIATION FOR FULL AMOUNT OF U.S. SUBSCRIPTION TO CALLABLE CAPITAL PRIOR TO SUBSCRIPTION.

3. PLEASE INQUIRE OF APPROPRIATE HOST GOVERNMENT OFFICIALS WHAT LEGISLATIVE PROCEDURES AND OTHER STEPS ARE

FOLLOWED BEFORE SUBSCRIPTIONS TO CALLABLE CAPITAL IN INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, INTER-AMERICAN DEVELOPMENT BANK, AND ASIAN DEVELOPMENT BANK ARE MADE. PLEASE INCLUDE IN INQUIRY THE FOLLOWING QUESTIONS: (A) ARE APPROPRIATIONS FOR FULL RPT FULL OR UNCLASSIFIED

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PARTIAL RPT PARTIAL AMOUNT OF CALLABLE CAPITAL SUBSCRIPTIONS OBTAINED PRIOR TO SUBSCRIPTION; (B) IF THE ANSWER TO (A) IS POSITIVE, IS THIS REQUIRED BY LAW OR ONLY DONE AS MATTER OF POLICY; (C) IF ANSWER TO (A) IS NEGATIVE, ARE ALTERNATIVE PROCEDURES (SUCH AS PUBLIC DEBT TRANSACTIONS) FOR FUNDING FOLLOWED PRIOR TO SUBSCRIPTION, AND IF SO, WHAT ARE THEY; AND (D) WOULD ADDITIONAL LEGISLATIVE STEPS BE REQUIRED AT TIME OF CALL TO MAKE PAYMENT ON A CALL ON CALLABLE CAPITAL, AND IF SO, WHAT STEPS.

4. INFORMATION REQUESTED IN THIS MESSAGE SHOULD REACH WASHINGTON NO LATER THAN OPENING OF BUSINESS TUESDAY, MARCH 7, IF AT ALL POSSIBLE. CHRISTOPHER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DEVELOPMENT BANKS, US CONGRESSIONAL HEARINGS, LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 03 mar 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
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**Disposition Remarks:**  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Litigation Codes:**  
**Litigation History:**  
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**Office:** ORIGIN TRSE  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Review Event:**  
**Review Exemptions:** n/a  
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**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3121246  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** LEGISLATIVE REQUIREMENTS FOR CALLABLE CAPITAL IN THE INTERNATIONAL DEVELOPMENT BANKS  
**TAGS:** EFIN, US, IBRD, IDB, ADB  
**To:** BONN BRUSSELS MULTIPLE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014